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Savings from Governor Walker's Budget Reforms Top \$1 BILLION in Savings for Taxpayers

Local leaders tell Governor Walker how the reforms are working

Madison—Governor Walker joined local officials in Brown Deer today to announce the documented savings for taxpayers from Act 10 reforms have now exceeded \$1 billion, less than one year after the law went into effect.

“This is a great day for the hardworking people of this state who pay for the expenses of government,” Governor Walker said. “I want to commend the local leaders of school districts, villages, cities, and counties who rolled up their sleeves and put our reforms to work for them. They are finding new ways to be more efficient, while still maintaining and improving services. This is just the beginning. We are turning things around, and this is a fantastic start.”

Representatives from the Brown Deer School District, the New Berlin School District, Ozaukee County, Racine County and the Village of Richfield, joined the Governor to talk about the benefits of the reforms.

BROWN DEER SCHOOL DISTRICT

The Brown Deer School District hosted the Governor's visit, and showed him visual evidence of how the reforms are working. Before Act 10, Brown Deer school officials say they had put off much needed building maintenance and renovations. Following Act 10, voters approved a referendum allowing not only renovations, but a revitalization of the 64 acre campus, including an outdoor science classroom and extra gymnasium, art, and cafeteria space. School officials say without the 4% drop in taxes due to the Governor's reforms, they would not have been able to consider the referendum.

“Before Act 10, we were faced with losing 20 teachers. Act 10 not only allowed us to save those jobs, but now we are seeing our ultimate renovation project come to life, “ said Emily Koczela, Brown Deer School District Finance Director.

Brown Deer school district taxpayers are saving about \$600,000 from employee pension contributions, \$200,000 from health plan changes (such as increasing an office visit co-pay from nothing to \$10), and \$200,000 from making changes to the work day. Teachers now teach six of eight block classes instead of five, allowing the district to operate with fewer teachers, without increasing class sizes.

NEW BERLIN SCHOOL DISTRICT

New Berlin School officials told the Governor that under his reforms they have been able to make decisions based on what's best for students and reallocate resources back into the classroom, as well as increase program offerings and increase staff.

Among the changes made under the Governor's reforms:

- Implemented a first-year strategic compensation model to pay staff for supporting the work of the district's vision and goals, projects, and initiatives
- Increased teaching staff by 8.0 full-time equivalents (FTE), reduced class sizes and increased program options
- Increased teacher work from 7 hours per day for elementary teachers & 7.5 hours per day for secondary teachers to 8 hours/day. This increased staff time by almost 46,000 hours for the current school year, and provided teachers time for collaboration, professional training, curriculum development, additional time to support students and additional time to meet with families
- Reduced health insurance costs by \$2.3 million
- Reduced Other Post Employment Benefit (OPEB) Liability costs from \$31 million to \$16 million
- Reduced contributions for employee retirement by almost \$1.25 million

"We are already working at ways to be more efficient and more effective next year. We're planning to increase student contact time with our teachers by 30 minutes per day. This adds up to approximately 12 days of instruction gained, with no added costs to the district," said John Kegel, New Berlin School Board Treasurer. "This added time will be utilized for increasing our reading and writing block, as well as offering science and social studies on a daily basis, which is currently not the case. It will also provide enhanced interventions and enrichment opportunities for students at both the secondary and elementary levels. This is possible because of the Governor's reforms."

OZAUKEE COUNTY AND PORT WASHINGTON

Before Act 10, Ozaukee County and Port Washington community leaders were facing tough choices. Due to increases in the cost of health insurance and other benefits, they were looking at furloughing or laying off hard-working employees. Joe Dean, who serves on both the city council and the county board, says after implementing reforms this year, instead of furlough notices, many employees received well deserved increases in pay.

"We've been able to hold the line on taxes, resulting in renewed business development and economic expansion," said Dean. "Comprehensive, thoughtful and balanced growth means more jobs. More jobs yields higher revenue from our tax base and ultimately we are able to provide better quality services and a broader safety net to those most in need. When we needed help, Governor Walker delivered."

Ozaukee County taxpayers saved \$1.2 million from employee pension contributions alone.

RACINE COUNTY

Under the Governor's reforms, Racine County implemented changes that benefit both tax payers and jail inmates. A new program previously blocked by union leaders, allows the county to offer non-violent jail inmates the opportunity to volunteer to mow medians, in exchange for a reduced sentence.

"The program's fantastic, really, to me. It's a winner. We didn't lay off employees as a result, but what we did is we improved the image of the community," said Jim Ladwig, Racine County Executive. "As a result of Act 10 passing, we are able to utilize that creative solution, where if that had not occurred, we would not have been able to."

In Racine County, pension contributions alone saved taxpayers about \$1.5 million. They also saved by making changes to overtime rules. This year's budget held the line on taxes.

VILLAGE OF RICHFIELD

In the Village of Richfield, employees already contributed a small percentage to their pensions prior to Act 10, but the Village Administrator says reforms allow them to think outside the box when it comes to being as efficient as they can for taxpayers.

Following Act 10, the Village entered into an agreement with the school district to combine resources to save money on snow plowing for the winter. This move cut costs for the Village from about \$18,000 to \$6,500. They are now looking into other money-saving options.

"The biggest thing for Richfield was it gave us the opportunity to experience a culture change, not just in our community but with our partners, our surrounding taxing jurisdictions. We have a long history of working very closely with our school districts and our county, doing a team approach to local government. This has given us a chance to really expand on that. Governor Walker's reforms have given us opportunities we didn't have before," said Joshua Schoemann, Village Administrator.

The \$1 billion in documented savings was compiled from hundreds of media reports, local budgets, and surveys of local government officials throughout the state. These results show that the total savings exceeded reductions in state aid. The billion dollars saved through the reforms are one of the reasons that property taxes for the median value Wisconsin property taxpayer went down for the first time in over a decade.

Since 1998, property taxes paid by homeowners have risen 43 percent. This year property taxes paid by the typical homeowner went down .4 percent. Without reforms the average homeowner would have paid an additional \$700 over the biennium.

Interesting findings from an analysis of the savings include:

- The Department of Corrections has reduced overtime costs by over \$2 million in just three months compared to the previous year.
- School districts that reported competitively bidding out their health insurance plan saved \$220 saved per pupil per year on average.

- Local units of government are making government more efficient by sharing services and ending expensive practices such as overtime abuses.
- These savings do not include health insurance savings from CESA's, special districts, 68% of school districts, and many local governments in Wisconsin.

The following website contains a detailed analysis of exactly where the \$1 billion of savings came from: www.reforms.wi.gov.

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